



Wyoming Lender Alert

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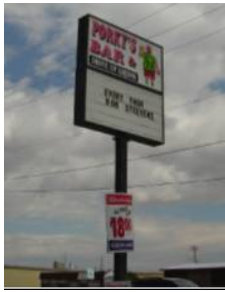
Steven Despain, District Director

Making a Difference for Small Business in Wyoming

Featured Success Story

Porky's Bar and Drive in Liquor

A change in family status left Porky (Darrel) Jones facing an overwhelming challenge. Porky had been told by friends and family that he had the potential to open a business and succeed.



He conquered building up the nerve to do it, a lack of confidence in himself, fear of failure and starting with nothing to put together a plan to open Porky's Bar. In late March 2000 Porky's Bar and Drive in Liquor opened for business in Rock Springs, Wyoming.

Porky had worked in the local area for Coca Cola and in the Black Butte coal mine and for SF Phosphates as a plant operator for five years. He had basic people to people skills, but no experience in owning his own business. He has learned the ropes of the business through day to day experiences. Initially, Porky was turned down by three different banks for a loan. He borrowed against his 401k for the first year until the Rock Springs National Bank made an SBA loan to him, which loan has since been paid back in full.

Being well known in the community helped Porky bring in

his first customers. He has an excellent staff of nine different individuals and says that his responsibility is to bring the customers in and the employees' job is to keep them there. Porky believes in taking care of his clientele and workforce and that is reflected in the day to day activity of his business.

Porky's Bar and Drive in Liquor offers clean fun to residents of Rock Springs. The public can take pleasure in pool and darts on Tuesdays, Wednesdays, and Thursdays. They can enjoy karaoke and Dance Sundays and Mondays and on Friday and Saturday nights there is live entertainment. This establishment strikes people's interest and they have fun there. Regulars are good



people having a good time enjoying themselves.

Porky sponsors Pool Leagues, Dart and Soft Ball Teams. Each



year he hosts a Pig Roast Benefit for someone in need in the community. The last event was in September 2005 and all proceeds went to the family in need.

Roll-Out of Centralized Processing for Standard 7(a) Loans

Beginning December 28, 2006, the Standard 7(a) Loan Guaranty Processing Center will begin accepting from lenders standard 7(a) loan applications that were previously submitted to SBA District Offices. The Wyoming District office is scheduled to make this change some time this spring.

Submission instructions, a submission checklist and other useful information will be available on Processing Center's website at www.sba.gov/banking. The website will be on-line on December 28, 2006.

Planned Features of SBA's New Centralized 7(a) Loan Program

- Fast SBA turnaround times – 95 percent of loans approved within five days, including notification to local field office
- Simplified 7 (a) loan application process
- Expedited submission to SBA: fax; electronic, including file-to-file transfer; or mail with support to help lenders take advantage of electronic submission

- SBA verifies lender's credit analysis, so SBA's full 75/85 percent guaranty applies
- SBA verifies lender's eligibility determination, with experienced lenders delegated authority to make eligibility determinations
- Enhanced eligibility analysis determination materials for fledgling SBA lenders
- Reduced application materials for experienced/proficient SBA lenders
- Uniform application of SBA's credit and eligibility standards and consistent policy determinations
- Specialized assistance for unique problems/situations / programs
- High quality customer service through call center staffed by knowledgeable loan officers
- Specialized lender training including Web-based training
- Overall responsibility for each loan assigned to an individual able to provide immediate status on any application
- Enhanced quality control to preclude LowDoc-like problems with credit analysis and with eligibility determinations
- Quality control focus on enhanced compliance, quality, and consistency

Teleconference on the SBA 504 Loan Program

On January 31, 2007 between 12:00pm and 1:30pm MST, the Comptroller of the Currency will have a telephone seminar on the SBA 504 loan program.

This web and telephone seminar is a 90-minute session that allows an unlimited number of people to listen to experts and to discuss the SBA's 504 CDC loan program. Details are available by calling 800-775-7654. You may register via phone or online at www.occ.treas.gov/up_event.htm.

BUSINESS DAY at the LEGISLATURE

**Tuesday, February 6, 2007.
Hitching Post Inn, Cheyenne,
Wyoming**

Breakfast with the President of the Senate, John C. Schiffer, and Speaker of the House, Roy Cohee

Morning Sessions:

Immigration: Where Do We Go and What Do We Do as Businesses

Making a Connection With Business - Quality Child Care in Wyoming

Business Day's Luncheon with the Governor

Spend the afternoon at the Capitol watching first hand the actions of Wyoming's legislators.

Inclusive Package: Breakfast, Panel Discussions & Luncheon---\$65.00 per person.

Late fees apply after January 29, 2007.

For more information, contact: Wyoming Chamber of Commerce Executives at 307.322.3977 or e-mail wccce@wyomingwireless.com

Express Loans --- modifications & adjustments after booking loan

As a reminder, lenders who have Express loans on the books that need servicing such as installment modifications or other adjustments, use the SBA Form 2237 --Express Servicing Check List

This Express Servicing Check List (SBA Form 2237) is the method the lender uses to inform SBA Fresno Servicing of a loan modification. This is a simple 1-page form to complete. This form tells SBA how to change the Colson 1502 Monthly Report to match up with your new loan payment amounts, etc.

A lender finds this form by going to www.sba.gov/banking.

1-click on the icon showing "504, Express, PLP";

2-click on the line "SBA LowDoc, SBA Express Loan Program Information";

3-click on "SBA Express" choose "Servicing Check List for SBA Express" (last form in section); click on "W" to print off form.

Fill out the form (SBA Form 2237) by hand. Write in a short narrative if the form blanks don't quite fit your particular needs. Fax the form to SBA Fresno Servicing.

For additional information about servicing SBA Express loans, read pages 28 -33 of the Express Lender Guide (version dated 10-01-02).

For questions, call Dave Denke (307)261-6523 or Steve Parker, (307)261-6506, both in Casper,.

IRS Updates & News Releases:

New Electronic Newsletter for Small Business

IRS introduces e-News for Small Businesses. Subscribe to this electronic newsletter and get information about important upcoming tax dates, what's new on the IRS Web Site, forms and publications, tips to help small businesses, and IRS News Releases and special announcements.

<http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>

No Change in Interest Rates for the First Quarter of 2007

The Internal Revenue Service today announced there will be no change in the interest rates for the calendar quarter beginning January 1, 2007. Revenue Ruling 2006-63 provides the rates for interest on tax overpayments and underpayments for the calendar quarter beginning January 1, 2007. <http://www.irs.gov/newsroom/article/0,,id=164931,00.html>

Business Expenses – What Is and Isn't Allowable

Business expenses are the cost of carrying on a trade or business.

These expenses are usually deductible if the business is operated to make a profit.

What Can Be Deducted?

To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in your trade or business. A necessary expense is one that is helpful and appropriate for your trade or business. An expense does not have to be indispensable to be considered necessary.

It is important to separate business expenses from the following expenses:

- ◆ The expenses used to figure the cost of goods sold
- ◆ Capital expenses
- ◆ Personal expenses

If, however, you have an expense that is partly for business and partly personal, separate the personal part from the business part.

Costs of Goods Sold

If your business manufactures products or purchases them for resale, some of your expenses may be included in figuring the costs of goods sold. You deduct the cost of goods sold from your gross receipts to figure your gross profit for the year.

If you use an expense to figure the cost of goods sold, you cannot deduct it again as a business expense.

The following are types of expenses that go into figuring the cost of good sold.

- ◆ The cost of the product or raw materials, including the cost of having them shipped to you.
- ◆ The cost of shipping the products you sell.
- ◆ Direct labor costs (including contributions to pensions or annuity plans) for workers who produce the products.
- ◆ Factory overhead expenses.

Capital Expenses

You must capitalize, rather than deduct, some costs. These costs

are part of your investment in your business and are called capital expenses. There are, in general, three types of costs you capitalize.

1. going into business
2. business assets
3. improvements.

Personal Expenses

Generally, you cannot deduct personal, living or family expenses. However, if you have an expense for something that is partly for business and partly for personal purposes, divide the total costs between the business and personal parts. You can deduct as a business expense only the business part.

Business Use of Your Home

If you use part of your home for business, you may be able to deduct expenses for the business use of your home. These expenses may include mortgage interest, insurance, utilities, repairs and depreciation. For a more detailed explanation of deductions allowable for business use of your home, review the IRS' *Publication 587, Business Use of Your Home and Standard Mileage Rates*.

Business Use of Your Car

If you use your car in your business, you can deduct car expenses. *IRS Publication 463, Travel, Entertainment, Gift and Care Expenses* provides detailed guidance on deductions which are or are not allowed.

Other Types of Business Expenses

Other types of deductible business expenses include but are not limited to:

- ◆ **Employee Pay** – you generally deduct the pay you give your employees for the services they perform for your business.
- ◆ **Retirement Plans** – Retirement plans are savings plans that offer you tax advantages to set aside money for your own and your employees' retirement.

◆ **Rent Expense** – Rent is any amount you pay for the use of property you do not own. In general, you can deduct rent as an expense only if the rent is for property you use in your trade or business. If you have or will receive equity in or title to the property, the rent is not deductible.

◆ **Interest** – Business interest expense is an amount charged for the use of money you borrowed for business activities.

◆ **Taxes** – You can deduct various federal, state, local and foreign taxes directly attributable to your trade or business as business expense

◆ **Insurance** – Generally, you can deduct the ordinary and necessary cost of insurance as a business expense, if it is your trade, business or profession.

The above list is not all inclusive of the types of business expenses you can deduct. For additional information refer to *IRS Publication 535, Business Expenses*

Upcoming Events

January 3– Women's Roundtable Casper and Dubois

January 11 – Women's Roundtable Laramie and Worland

January 16 – Women's Roundtable Cody

January 18 – Women's Roundtable Powell

January 20 – Women to Women Festival, 8:00am – 3:30pm, Campbell County High School

January 31 – 504 Tele-conference, 12:00pm-1:30pm

Happy New Year